

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE ALLEN COUNTY)	
WATER DISTRICT, OF ALLEN COUNTY,)	
KENTUCKY, FOR APPROVAL OF CONSTRU-)	CASE NO. 9304
CTION, FINANCING AND INCREASED RATES)	

O R D E R

On July 26, 1985, the Commission entered an Order granting the Allen County Water District ("Allen County") a certificate of public convenience and necessity for a water-works improvement project. The Order also approved the financing for that project and adjustments to its water service rates.

On November 25, 1985, Allen County filed for authorization to extend water lines to serve an additional 56 customers and requested approval of this construction.

Supplemental information concerning this additional construction was filed on January 3, 1986, and January 8, 1986, by Parrott, Ely & Hurt, Consulting Engineers, of Lexington, Kentucky ("Engineer").

CONTINUITY OF ADEQUATE AND RELIABLE SERVICE

Allen County's Engineer has provided information which appears to indicate that reliable and adequate service can be maintained throughout the expanded system after completion of

the proposed construction. The Commission is concerned, however, that Allen County's service to its customers in the higher elevations of its service area may not be totally adequate in the long term.

The Commission reminds Allen County of its obligation to provide adequate and reliable service to all of its customers. Allen County should monitor the adequacy of the expanded water distribution system after construction. If this monitoring indicates that the level of service is inadequate or declining, Allen County must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

FINDINGS AND ORDERS

The Commission, after consideration of the application and evidence of record and being advised, is of the opinion and finds that:

1. Public convenience and necessity require that the construction proposed in the supplemental information be performed and that a certificate of public convenience and necessity be granted.

2. The financing plan for the supplemental work consisting of \$127,486 in previously approved funds, and \$14,907 in additional service connection fees should be approved.

3. The Commission's Order entered July 26, 1985, should be affirmed in all other respects.

IT IS THEREFORE ORDERED that:

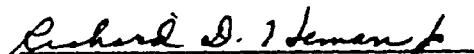
1. Allen County be and it hereby is granted a certificate of public convenience and necessity to proceed with the construction as set forth in the supplemental information herein approved.

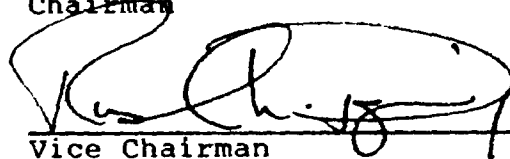
2. The financing plan for the proposed construction be and it hereby is approved.

3. The Commission's Order entered July 26, 1985, be and it hereby is affirmed in all other respects.

Done at Frankfort, Kentucky, this 17th day of January, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary